

## SENATE BILL No. 364

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-31; IC 4-32-15-0.5; IC 4-33; IC 35-45-5.

**Synopsis:** Pull tabs. Authorizes the sale of pari-mutuel pull tabs at race tracks and satellite facilities located in Marion County. Makes other changes concerning race tracks and satellite facilities.

**Effective:** July 1, 2004.

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January 12, 2004, read first time and referred to Committee on Rules and Legislative Procedure.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 364

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-31-1-2 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2004]: Sec. 2. The ~~purpose~~ **purposes** of this  
3 article ~~is~~ **are** to:

4 (1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~

5 (2) **permit the sale of pari-mutuel pull tabs at racetracks and**  
6 **satellite facilities in Indiana;**

7 (3) ensure that ~~the sale of pari-mutuel pull tabs and~~ pari-mutuel  
8 wagering on horse races in Indiana will be conducted with the  
9 highest of standards and the greatest level of integrity; **and**

10 (4) **maximize and preserve state revenues generated from the**  
11 **various forms of permitted gaming and wagering by ensuring**  
12 **that the various forms of permitted gaming and wagering**  
13 **occur in different geographic regions of Indiana.**

14 SECTION 2. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE  
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
16 1, 2004]: Sec. 11.5. "Pari-mutuel pull tab" means a game offered to  
17 the public in which a person who purchases a ticket or simulated



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ticket has the opportunity to share in a prize pool, multiple prize pools, or a shared prize pool consisting of the total amount wagered in the game minus deductions by the permit holder selling the pari-mutuel pull tab and other deductions either permitted or required by law.

SECTION 3. IC 4-31-4-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.3. (a) This section does not apply to a person who satisfies all of the following:

- (1) The person was issued a satellite facility license before January 2, 1996.
- (2) The person operated a satellite facility before January 2, 1996.
- (3) The person is currently operating the satellite facility under the license.

(b) **Except as provided in subsection (c),** a person may not operate under a satellite facility license unless both of the following apply:

- (1) The county fiscal body of the county in which the satellite facility will be operated has adopted an ordinance under section 2.5 of this chapter.
- (2) The person secures a license under IC 4-31-5.5.

(c) **Notwithstanding any other provision of this article, a person to whom subsection (b)(1) does not apply is not precluded from operating under a satellite facility license if the person:**

- (1) **was issued a permit before January 1, 2002; and**
- (2) **files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 4. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct

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1 pari-mutuel wagering on horse races at racetracks in the county  
 2 may be filed, the voters of the county must approve the  
 3 conducting of horse racing meetings in the county under section  
 4 3 of this chapter.

5 An ordinance adopted under this section may not be amended to apply  
 6 to a person who has already been issued a permit under IC 4-31-5  
 7 before amendment of the ordinance.

8 **(c) An ordinance adopted under this section authorizing a**  
 9 **person to conduct pari-mutuel wagering on horse races at**  
 10 **racetracks in the county may not be adopted or amended with the**  
 11 **intent to restrict a permit holder's ability to sell pari-mutuel pull**  
 12 **tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal**  
 13 **body permitting the sale of pari-mutuel pull tabs is not a**  
 14 **prerequisite for the lawful sale of pari-mutuel pull tabs under**  
 15 **IC 4-31-7.5.**

16 SECTION 5. IC 4-31-4-2.5 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2.5. (a) A county fiscal  
 18 body may adopt an ordinance permitting the filing of applications  
 19 under IC 4-31-5.5 for operation of a satellite facility in the county.  
 20 However, before adopting the ordinance, the county fiscal body must:

- 21 (1) conduct a public hearing on the proposed ordinance; and
- 22 (2) publish notice of the public hearing in the manner prescribed
- 23 by IC 5-3-1.

24 (b) The county fiscal body may:

- 25 (1) require in the ordinance adopted by the county fiscal body that
- 26 before applications under IC 4-31-5.5 to operate a satellite facility
- 27 in the county may be filed, the voters of the county must approve
- 28 the operation of a satellite facility in the county under section 3 of
- 29 this chapter; or
- 30 (2) amend an ordinance already adopted in the county to require
- 31 that before applications under IC 4-31-5.5 to operate a satellite
- 32 facility in the county may be filed, the voters of the county must
- 33 approve the operation of a satellite facility in the county under
- 34 section 3 of this chapter.

35 An ordinance adopted under this section may not be amended to apply  
 36 to a person who was issued a license under IC 4-31-5.5 before the  
 37 ordinance was amended.

38 **(c) Notwithstanding any other provision of this article, this**  
 39 **section does not apply to a permit holder who:**

- 40 (1) was issued a permit before January 1, 2002; and
- 41 (2) files an application to operate a satellite facility in a county
- 42 having a consolidated city.

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SECTION 6. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2004]: Sec. 3. (a) This section does not apply  
to either of the following:

(1) A permit holder who satisfies all of the following:

(A) The permit holder was issued a permit before January 2, 1996.

(B) The permit holder conducted live racing before January 2, 1996.

(C) The permit holder is currently operating under the permit.

(2) A person who satisfies all of the following:

(A) The person was issued a satellite facility license before January 2, 1996.

(B) The person operated a satellite facility before January 2, 1996.

(C) The person is currently operating the satellite facility under the license.

(b) This section applies if either of the following apply:

(1) Both of the following are satisfied:

(A) An ordinance is adopted under section 2 or 2.5 of this chapter.

(B) The ordinance requires the voters of the county to approve either of the following:

(i) The conducting of horse racing meetings in the county.

(ii) The operation of a satellite facility in the county.

(2) A local public question is required to be held under section 2.7 of this chapter following the filing of a petition with the circuit court clerk:

(A) signed by at least the number of registered voters of the county required under IC 3-8-6-3 to place a candidate on the ballot; and

(B) requesting that the local public question set forth in subsection (d) be placed on the ballot.

(c) Notwithstanding any other provision of this article, the commission may not issue a recognized meeting permit under IC 4-31-5 to allow the conducting of or the assisting of the conducting of a horse racing meeting unless the voters of the county in which the property is located have approved conducting recognized meetings in the county.

(d) For a local public question required to be held under subsection (c), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall horse racing meetings at which pari-mutuel wagering

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occurs be allowed in \_\_\_\_\_ County?".

(e) Notwithstanding any other provision of this article, the commission may not issue a satellite facility license under IC 4-31-5.5 to operate a satellite facility unless the voters of the county in which the satellite facility will be located approve the operation of the satellite facility in the county.

(f) For a local public question required to be held under subsection (e), the county election board shall place the following question on the ballot in the county during the next general election:

"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in \_\_\_\_\_ County?".

(g) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9.

(h) The circuit court clerk of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(i) If a public question is placed on the ballot under subsection (d) or (f) in a county and the voters of the county do not vote in favor of the public question, a second public question under that subsection may not be held in the county for at least two (2) years. If the voters of the county vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the county until the general election held during the tenth year following the year of the previous public question held under that subsection.

**(j) Notwithstanding any other provision of this article, this section does not apply to a permit holder who:**

**(1) was issued a permit before January 1, 2002; and**

**(2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 7. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

(1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;

(2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;

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(3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and

(4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

**(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.**

SECTION 8. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. **Except as provided in IC 4-31-7.5**, any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

SECTION 9. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) The commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and

(B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit

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holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

**(6) Not more than one (1) license may be issued to each permit holder to operate a satellite facility located in a county having a consolidated city. The maximum number of licenses that the commission may issue for satellite facilities to be located in a county having a consolidated city is two (2) licenses.**

SECTION 10. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

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(1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.

(2) Construction or leasing of satellite wagering facilities.

(3) Sale of food and beverages.

(4) Advertising and promotion.

(5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**

(6) All other related activities.

SECTION 11. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed as authorizing a permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit a permit holder from operating a satellite facility on the real property.**

SECTION 12. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

**However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 13. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing

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meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

**(d) A person less than twenty-one (21) years of age may not enter the part of a satellite facility or racetrack in which pari-mutuel pull tabs are sold and redeemed.**

SECTION 14. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

**Chapter 7.5. Pari-Mutuel Pull Tabs**

**Sec. 1. (a) This chapter applies only to the sale of pari-mutuel pull tabs by a person that holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.**

**(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.**

**Sec. 2. The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter.**

**Sec. 3. (a) The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules adopted under a procedure identical to the procedure set forth in IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:**

**(1) an approval process for pari-mutuel pull tab games that requires periodic testing of the games and equipment by an independent entity under the oversight of the commission to ensure the integrity of the games offered to the public;**

**(2) a system of internal audit controls;**

**(3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;**

**(4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;**  
**(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and**

**(6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab**

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games and the convenience of the public.

(b) The Indiana gaming commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 4. (a) The Indiana gaming commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this chapter at the locations described in section 9 of this chapter.

(b) Before issuing a license to a permit holder under this section, the Indiana gaming commission shall subject the permit holder to a background investigation similar to a background investigation required of an applicant for a riverboat owner's license under IC 4-33-6.

(c) An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license. Unless the pari-mutuel pull tab license is terminated or is revoked, the pari-mutuel pull tab license may be renewed annually thereafter upon:

(1) the payment of an annual renewal fee determined by the Indiana gaming commission; and

(2) a determination by the Indiana gaming commission that the licensee satisfies the conditions of this chapter.

(d) A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine whether the permit holder remains in compliance with this article.

(e) Notwithstanding subsection (d), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(f) The permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

Sec. 5. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all the commission's costs of administering the pari-mutuel pull tab games.

Sec. 6. A pari-mutuel pull tab game must be conducted in the following manner:

(1) Each set of tickets must have a predetermined:

(A) total purchase price; and

(B) amount of prizes.

(2) Randomly ordered pari-mutuel pull tab tickets may be

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distributed from an approved location or from a distribution device to:

(A) the permit holder at the permit holder's racetrack or satellite facility, or both; or

(B) a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.

(3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.

(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 7. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

Sec. 8. The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

Sec. 9. The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to the following locations:

(1) A live pari-mutuel horse racing facility licensed under this article.

(2) A satellite facility located in a county containing a consolidated city.

Sec. 10. A permit holder may not install more than seven hundred (700) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility or satellite facility.

Sec. 11. The number and amount of the prizes in a pari-mutuel pull tab game must be finite but may not be limited.

Sec. 12. A list of prizes for winning pari-mutuel pull tab tickets must be posted or displayed at a location where the tickets are sold.

Sec. 13. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 14. A terminal or device selling pari-mutuel pull tab tickets may be operated by a player without the assistance of the permit holder for the sale and redemption of pari-mutuel pull tab tickets.

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1        **Sec. 15. A terminal or device selling pari-mutuel pull tab tickets**  
 2        **may not dispense coins or currency as prizes for winning tickets.**  
 3        **Prizes awarded by a terminal or device must be in the form of**  
 4        **credits for additional play or certificates redeemable for cash or**  
 5        **prizes.**

6        **Sec. 16. All shipments of gambling devices, including**  
 7        **pari-mutuel pull tab machines, to permit holders in Indiana, the**  
 8        **registering, recording, and labeling of which have been completed**  
 9        **by the manufacturer or dealer in accordance with 15 U.S.C. 1171**  
 10       **through 15 U.S.C. 1178, are legal shipments of gambling devices**  
 11       **into Indiana.**

12       **Sec. 17. Under 15 U.S.C. 1172, approved January 2, 1951, the**  
 13       **state of Indiana, acting by and through elected and qualified**  
 14       **members of the general assembly, declares that the state is exempt**  
 15       **from 15 U.S.C. 1172.**

16       SECTION 15. IC 4-31-9-1 IS AMENDED TO READ AS  
 17       FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. A person that holds  
 18       a permit to conduct a horse racing meeting or a license to operate a  
 19       satellite facility shall withhold:

20           (1) eighteen percent (18%) of the total of money wagered on each  
 21           day at the racetrack or satellite facility (including money wagered  
 22           on exotic wagering pools **but excluding money wagered on**  
 23           **pari-mutuel pull tabs under IC 4-31-7.5); plus**

24           (2) an additional three and one-half percent (3.5%) of the total of  
 25           all money wagered on exotic wagering pools on each day at the  
 26           racetrack or satellite facility.

27       SECTION 16. IC 4-32-15-0.5, IS ADDED TO THE INDIANA  
 28       CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 29       [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply**  
 30       **to the sale of pari-mutuel pull tabs under IC 4-31-7.5.**

31       SECTION 17. IC 4-33-2-16.3 IS ADDED TO THE INDIANA  
 32       CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 33       [EFFECTIVE JULY 1, 2004]: **Sec. 16.3. "Pari-mutuel pull tab" has**  
 34       **the meaning set forth in IC 4-31-2-11.5.**

35       SECTION 18. IC 4-33-2-18 IS AMENDED TO READ AS  
 36       FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18. "Supplier's license"  
 37       means:

38           (1) a license issued under IC 4-33-7; **or**

39           (2) **a license issued under IC 4-33-7.5.**

40       SECTION 19. IC 4-33-4-2, AS AMENDED BY P.L.92-2003,  
 41       SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42       JULY 1, 2004]: Sec. 2. The commission shall adopt rules under

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IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- (5) Imposing penalties for noncriminal violations of this article.
- (6) Establishing the conditions under which the sale, purchase, and redemption of pari-mutuel pull tabs may be conducted under IC 4-31-7.5.**

SECTION 20. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

**Chapter 7.5. Pari-Mutuel Pull Tab Suppliers**

**Sec. 1. The commission may issue a supplier's license to a person under this chapter if:**

- (1) the person has:**
  - (A) applied for the supplier's license;**
  - (B) paid a nonrefundable application fee set by the commission;**
  - (C) paid a five thousand dollar (\$5,000) annual license fee; and**
  - (D) submitted on forms provided by the commission:**
    - (i) two (2) sets of the individual's fingerprints, if the applicant is an individual; or**
    - (ii) two (2) sets of fingerprints for each officer and director of the applicant, if the applicant is not an individual; and**
- (2) the commission has determined that the applicant is eligible for a supplier's license.**

**Sec. 2. (a) A person holding a supplier's license issued under this chapter may sell, lease, and contract to sell or lease pari-mutuel pull tab terminals and devices to a permit holder authorized to sell and redeem pari-mutuel pull tab tickets under IC 4-31-7.5.**

**(b) Pari-mutuel pull tab terminals and devices may not be distributed unless the terminals and devices conform to standards adopted by the commission.**

**Sec. 3. A person may not receive a supplier's license under this chapter if:**

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(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling operations authorized under this article;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction; has been revoked.

**Sec. 4.** A person may not furnish pari-mutuel pull tab terminals or devices to a permit holder unless the person possesses a supplier's license.

**Sec. 5. (a)** A supplier shall furnish to the commission a list of all pari-mutuel pull tab terminals and devices offered for sale or lease in connection with the sale of pari-mutuel pull tab tickets authorized under IC 4-31-7.5.

**(b)** A supplier shall keep books and records for the furnishing of pari-mutuel pull tab terminals and devices to permit holders. The books kept under this subsection must be separate from books and records of any other business operated by the supplier.

**(c)** A supplier shall file a quarterly return with the commission listing all sales and leases.

**(d)** A supplier shall permanently affix the supplier's name to all pari-mutuel pull tab terminals or devices that the supplier provides to permit holders under this chapter.

**Sec. 6.** A supplier's pari-mutuel pull tab terminals or devices that are used by a person in an unauthorized gambling operation shall be forfeited to the state.

**Sec. 7.** Pari-mutuel pull tab terminals and devices that are provided by a supplier may be:

(1) repaired on the premises of a racetrack or satellite facility;

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1 or

2 (2) removed for repair from the premises of a permit holder  
3 to a facility owned by the permit holder.

4 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is  
5 revoked, the supplier's license may be renewed annually upon:

6 (1) the payment of a five thousand dollar (\$5,000) annual  
7 renewal fee; and

8 (2) a determination by the commission that the licensee is in  
9 compliance with this article.

10 (b) The holder of a supplier's license shall undergo a complete  
11 investigation every three (3) years to determine whether the  
12 licensee is in compliance with this article.

13 (c) Notwithstanding subsection (b), the commission may  
14 investigate the holder of a supplier's license at any time the  
15 commission determines necessary to ensure that the licensee is in  
16 compliance with this article.

17 (d) The holder of a supplier's license shall bear the cost of an  
18 investigation or reinvestigation of the licensee and any  
19 investigation resulting from a potential transfer of ownership.

20 SECTION 21. IC 4-33-10-1, AS AMENDED BY P.L.192-2002(ss),  
21 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2004]: Sec. 1. (a) A person who knowingly or intentionally:

23 (1) makes a false statement on an application submitted under this  
24 article;

25 (2) operates a gambling operation or a cruise in which wagering  
26 is conducted or is to be conducted in a manner other than the  
27 manner required under this article;

28 (3) permits a person less than twenty-one (21) years of age to  
29 make a wager;

30 (4) aids, induces, or causes a person less than twenty-one (21)  
31 years of age who is not an employee of the riverboat gambling  
32 operation to enter or attempt to enter a riverboat;

33 (5) wagers or accepts a wager at a location other than a riverboat;

34 or

35 (6) makes a false statement on an application submitted to the  
36 commission under this article or IC 4-31-7.5; or

37 (7) aids, induces, or causes a person less than twenty-one (21)  
38 years of age who is not an employee of a pari-mutuel pull tab  
39 operation licensed under IC 4-31-7.5 to enter or attempt to  
40 enter the pari-mutuel pull tab operation;

41 commits a Class A misdemeanor.

42 (b) A person who:

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1 (1) is not an employee of the riverboat gambling operation;  
 2 (2) is less than twenty-one (21) years of age; and  
 3 (3) knowingly or intentionally enters or attempts to enter a  
 4 riverboat;  
 5 commits a Class A misdemeanor.

6 **(c) A person who:**

7 **(1) is not an employee of a pari-mutuel pull tab operation**  
 8 **licensed under IC 4-31;**  
 9 **(2) is less than twenty-one (21) years of age; and**  
 10 **(3) knowingly or intentionally enters the pari-mutuel pull tab**  
 11 **operation;**  
 12 **commits a Class A misdemeanor.**

13 SECTION 22. IC 35-45-5-7 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 7. This chapter does not  
 15 apply to the publication or broadcast of an advertisement, a list of  
 16 prizes, or other information concerning:

- 17 (1) pari-mutuel wagering on horse races or a lottery authorized by  
 18 the law of any state; **or**  
 19 (2) a game of chance operated in accordance with IC 4-32; **or**  
 20 (3) **a pari-mutuel pull tab game operated in accordance with**  
 21 **IC 4-31-7.5.**

22 SECTION 23. IC 35-45-5-11 IS ADDED TO THE INDIANA  
 23 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2004]: **Sec. 11. This chapter does not apply**  
 25 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

26 SECTION 24. [EFFECTIVE JULY 1, 2004] (a) **The Indiana**  
 27 **gaming commission shall adopt the emergency rules required**  
 28 **under IC 4-31-7.5-3, as added by this act, before January 1, 2005.**

29 **(b) This SECTION expires January 31, 2005.**

30 SECTION 25. [EFFECTIVE JULY 1, 2004] (a) **If the Indiana**  
 31 **gaming commission determines that a permit holder has met the**  
 32 **requirements of this act, the Indiana gaming commission shall**  
 33 **adopt a resolution authorizing a permit holder to sell pari-mutuel**  
 34 **pull tabs under IC 4-31-7.5, as added by this act. The commission**  
 35 **may exercise any power necessary to implement this act under a**  
 36 **resolution authorized under this SECTION.**

37 **(b) This SECTION expires December 31, 2005.**

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